



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO:

3482

U-64375

(UT-935)

October 24, 2000

CERTIFIED MAIL--Return Receipt Requested
Certification No. 7000 0520 0022 9266 0151

Mr. Steven E. Kochevar, P.E.
Sr. Planning and Development Engineer
Interwest Mining Company
P.O. Box 310
Huntington, Utah 84528

[Handwritten signature]
[Handwritten: 10/25/00]

Re: Energy West, Trail Mountain Mine, Hiawatha Coal Seam, Minor Modification to the Resource Recovery and Protection Plan (R₂P₂) to Delete the 2nd Right Panel From Cross-cuts #62 to 8 and Delete the 1st Right panel From Cross-cuts #74 to 59 for Federal Coal Lease No. U-64375.

Dear Mr. Kochevar:

PacifiCorp, by and through its wholly-owned subsidiaries, Interwest Mining company as managing agent and Energy West Mining company as mine operator submitted a modification to the Resource Recovery and Protection Plan (R₂P₂) for the Trail Mountain Mine, on October 18, 2000. This plan would delete the 2nd Right panel from crosscut #62 to cross-cut #8. The company calculated the deletion of reserves at 1.4 million tons. The 1st right panel would be deleted from cross-cut #74 to 59. The company is citing safety as the primary reason for the deletion of the reserves. The modification states, "Due to frequent and increasingly significant seismic events near the tailgate of the longwall of the 2nd Right panel, causing serious damage to equipment, creating long delays in mining and subjecting personnel to repairs of equipment or conditions in unsafe areas and ever increasing the potential for critical accident or injury without any known mitigation solution."

A bounce (seismic event) happened on October 3, 2000, in which the Mine Safety and Health Administration (MSHA) issued a shutdown order because of damage to the longwall shear equipment. After MSHA personnel visited the site, they declared the area safe and lifted the shutdown order. On October 5, 2000, the longwall again experienced a bounce at the face and it apparently tipped the shear on its side and threw the cables into the longwall walkway. As a result of these circumstances Energy West attempted to contact the Price BLM Field Office mining

personnel apparently on October 6 and 9, 2000, (a National Holiday) but did not establish contact until October 10, 2000. On October 10, 2000, staff personnel from Energy West, Trail Mountain Mine met with the staff of the Price Field Office. BLM was verbally informed of the safety concerns and the company decision to abandon the 2nd Right panel and not mine it. Energy West informed BLM that the mining of the new set up rooms in the 1st right panel at cross-cut 59 had been started. They then requested our verbal approval with a formal written request coming for this modification. This action of starting the setup rooms permanently abandoned the coal in the 1st right panel from cross-cuts #74 to 59. 43 CFR 3484.1 (c)(1) states, "Underground mining operations shall be conducted so as to prevent wasting of coal and to conserve recoverable coal reserves consistent with the protection and use of other resources. No entry, room, or panel workings in which the pillars have not been completely mined within safe limits shall be permanently abandoned or rendered in accessible, except with the **prior written approval** of the authorized officer." (Emphasis added).

BLM mining personnel gave a verbal approval to continue mining the set up rooms in the 1st right panel subject to providing written justification. On October 12, 2000, Steve Falk from the Price Field Office made an inspection of the mine and observed and discussed mining conditions. Subsequently on October 18, 2000, Energy West personnel met with BLM to deliver a written request for modification of the Trail Mountain Resource Recovery and Protection Plan (R₂P₂). The company made it clear they did not plan to mine the remaining coal reserves in the 2nd right panel but were proceeding to complete the setup room in 1st right panel and move the longwall to this location. At the meeting, BLM requested additional information including detailed information on seismic data and accident reports.

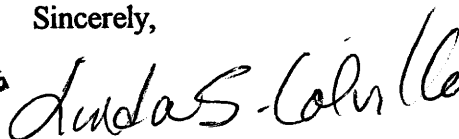
BLM has concluded from Energy West Mining's modification request which was also confirmed in the above referenced meeting held on October 18, 2000 at the Price BLM Field Office, that the company will not mine the coal in the 2nd right panel from cross-cuts #62 to #8. BLM accepts this modification to the Resource Recovery and Protection Plan (R₂P₂) that has been submitted based on the following conditions:

- a. BLM will continue to review and evaluate the technical information that has been submitted by Energy West Mining Co. and will make a determination as to whether the coal was recoverable under BLM's conservation of the coal resource responsibility (43 CFR 3484.1 (b)(4)). At that time a final determination on Maximum Economic Recovery will be made.
- b. BLM will consult with Energy West Mining Co. if additional information is required.
- c. BLM reserves the right to bond for the royalty amount of the coal remaining in the 1st and 2nd right panels if the determination is made that coal can be mined.
- d. BLM will consult with the Mine Safety and Health Administration on this matter.

For further information contact Mr. Stan Perkes, (801) 539-4036 or Steve Falk at (435) 636-3605.

Sincerely,

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Sally Wisely
State Director